

OTHELLO SCHOOL DISTRICT No. 147
Adams County, Washington
September 1, 1993 Through August 31, 1994

Schedule Of Findings

1. Internal Controls Over Cafeteria Cash Receipts Should Be Improved

During our audit, we found food service workers are receipting cash between meal hours when a cashier is not available. They do not use the available cash register nor do they use receipts. The food service workers are supposed to write a memo, each day, documenting the amount of cash they took in. We performed a surprise cash count as part of our audit of the cafeteria. The cash counted was for three days of activity and included cash which the cooks directly received. We could not locate any memos supporting the cash the food service workers received for those days. In addition, the cashier does not reconcile and deposit cash received at the end of each day's business. Instead, the cashier waits and makes a weekly deposit and weekly reconciliation.

An internal control system consists of the plan of organization, methods, and procedures adopted by management to ensure that resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; and that reliable data is obtained, maintained, and fairly disclosed in reports.

The food service workers receive cash as the cashier has other duties which require her presence elsewhere when meals are not being served. The district thought the use of the food service worker's memo would suffice in place of a formal receipting system or use of the cash register. Cash is only reconciled and deposited once per week because the district believed that to be sufficient, given the volume.

The lack of written receipts or use of a cash register for receipt of funds may result in unrecorded sales, errors and/or irregularities.

We recommend the food service workers either not receive cash or they use a formal receipting system such as the cash register or a receipt book with the district's name imprinted. We also recommend that all cash receipts be reconciled and deposited daily.